

Requested by HOUSE COMMITTEE ON REVENUE

**PROPOSED AMENDMENTS TO
HOUSE BILL 2859**

1 On page 1 of the printed bill, line 2, after “ORS” delete the rest of the
2 line and delete lines 3 through 8 and insert “307.110 and 308.256; and pre-
3 scribing an effective date.”.

4 Delete lines 11 through 31 and delete pages 2 through 16 and insert:
5

6 **“ADJUSTMENTS: JULY 1, 2022**
7

8 **“SECTION 1. ORS 285C.362 applies to property tax years beginning**
9 **before July 1, 2022.**

10 **“(2) Notwithstanding subsection (1) of this section, property of an**
11 **authorized business firm granted exemption under ORS 285C.362 before**
12 **the date specified in subsection (1) of this section shall continue to**
13 **receive the exemption on the same terms, including duration, on**
14 **which the exemption was granted.**

15 **“SECTION 2. (1) ORS 307.022 applies to property tax years beginning**
16 **before July 1, 2022.**

17 **“(2) Notwithstanding subsection (1) of this section, property granted**
18 **exemption or special assessment by operation of ORS 307.022 before the**
19 **date specified in subsection (1) of this section shall continue to receive**
20 **the exemption or special assessment on the same terms, including**
21 **duration, on which the exemption or special assessment was granted.**

1 **“SECTION 3. (1) ORS 307.115 applies to property tax years beginning**
2 **before July 1, 2022.**

3 **“(2) Notwithstanding subsection (1) of this section, real and per-**
4 **sonal property granted exemption under ORS 307.115 before the date**
5 **specified in subsection (1) of this section shall continue to receive the**
6 **exemption on the same terms, including duration, on which the ex-**
7 **emption was granted.**

8 **“SECTION 4. ORS 307.130 applies to property tax years beginning**
9 **before July 1, 2022.**

10 **“SECTION 5. ORS 307.136 applies to property tax years beginning**
11 **before July 1, 2022.**

12 **“SECTION 6. ORS 307.140 applies to property tax years beginning**
13 **before July 1, 2022.**

14 **“SECTION 7. ORS 307.145 applies to property tax years beginning**
15 **before July 1, 2022.**

16 **“SECTION 8. ORS 307.147 applies to property tax years beginning**
17 **before July 1, 2022.**

18 **“SECTION 9. ORS 307.195 applies to property tax years beginning**
19 **before July 1, 2022.**

20 **“SECTION 10. ORS 307.242 applies to property tax years beginning**
21 **before July 1, 2022.**

22 **“SECTION 11. ORS 307.370 applies to property tax years beginning**
23 **before July 1, 2022.**

24 **“SECTION 12. ORS 307.471 applies to property tax years beginning**
25 **before July 1, 2022.**

26 **“SECTION 13. ORS 307.485 applies to property tax years beginning**
27 **before July 1, 2022.**

28 **“SECTION 14. (1) ORS 307.804 applies to property tax years begin-**
29 **ning before July 1, 2022.**

30 **“(2) Notwithstanding subsection (1) of this section, real and per-**

1 sonal property of a rural health care facility granted exemption under
2 ORS 307.804 before the date specified in subsection (1) of this section
3 shall continue to receive the exemption on the same terms, including
4 duration, on which the exemption was granted.

5 **“SECTION 15. ORS 307.811 applies to property tax years beginning**
6 **before July 1, 2022.**

7 **“SECTION 16. ORS 308.490 applies to property tax years beginning**
8 **before July 1, 2022.**

9

10 **“ADJUSTMENTS: JULY 1, 2024**

11

12 **“SECTION 17. ORS 307.150 applies to property tax years beginning**
13 **before July 1, 2024.**

14 **“SECTION 18. ORS 307.160 applies to property tax years beginning**
15 **before July 1, 2024.**

16 **“SECTION 19. ORS 307.250 applies to property tax years beginning**
17 **before July 1, 2024.**

18 **“SECTION 20. ORS 307.286 applies to property tax years beginning**
19 **before July 1, 2024.**

20

21 **“ADJUSTMENTS: JULY 1, 2025**

22

23 **“SECTION 21. (1) ORS 307.123 applies to property tax years begin-**
24 **ning before July 1, 2025.**

25 **“(2) Notwithstanding subsection (1) of this section, real and per-**
26 **sonal property assessed under ORS 307.123 before the date specified in**
27 **subsection (1) of this section shall continue to be assessed under ORS**
28 **307.123 on the same terms, including duration.**

29 **“SECTION 22. ORS 307.171 applies to property tax years beginning**
30 **before July 1, 2025.**

1 **“SECTION 23. (1) ORS 307.330 applies to property tax years begin-**
2 **ning before July 1, 2025.**

3 **“(2) Notwithstanding subsection (1) of this section, property granted**
4 **exemption under ORS 307.330 before the date specified in subsection**
5 **(1) of this section shall continue to receive the exemption on the same**
6 **terms, including duration, on which the exemption was granted.**

7 **“SECTION 24. ORS 307.580 applies to property tax years beginning**
8 **before July 1, 2025.**

9 **“SECTION 25. ORS 308.256 is amended to read:**

10 “308.256. (1) Watercraft of water transportation companies shall be as-
11 sessed as provided in ORS 308.505 to 308.681.

12 “(2) Watercraft described in ORS 308.260 shall be assessed as provided in
13 ORS 308.260.

14 “(3) The following watercraft shall be exempt from taxation:

15 “(a) Watercraft not owned or operated by water transportation companies,
16 as described in ORS 308.515, and that are customarily engaged in the trans-
17 portation of persons or property for hire wholly outside the boundaries of
18 this state.

19 “(b) Watercraft owned or operated by water transportation companies, as
20 described in ORS 308.515, and not assessed by the Department of Revenue,
21 that are customarily engaged in the transportation of persons or property for
22 hire wholly or in part outside the boundaries of this state. The exemption
23 under this paragraph does not apply to watercraft that engage in the trans-
24 portation for hire of persons on offshore trips that originate and terminate
25 at the same port, and that have a valid marine document issued by the
26 United States Coast Guard or any other federal agency that succeeds the
27 United States Coast Guard in the duty of issuing marine documents.

28 “(c) The assessed value of the property of a water transportation com-
29 pany, as described in ORS 308.515, that is not subject to assessment by the
30 Department of Revenue under the provisions of ORS 308.550 (3).

1 “(4)(a) Watercraft over 16 feet in length in the process of original con-
2 struction, or undergoing major remodeling, renovation, conversion, recon-
3 version or repairs on January 1 are exempt from taxation. For the purposes
4 of this subsection, the term ‘major’ shall include all remodeling, renovation,
5 conversion, reconversion or repairs to a watercraft in which the expenditures
6 for parts, materials, labor and accessorial services exceed 10 percent of the
7 market value of the watercraft immediately prior to the remodeling, reno-
8 vation, conversion, reconversion or repairs.

9 “(b) Watercraft subject to assessment by the Department of Revenue un-
10 der ORS 308.505 to 308.681 are exempt under paragraph (a) of this subsection
11 only if on or before the due date for filing the statement described in ORS
12 308.520 for the year for which exemption is claimed, the owner or operator
13 files with the department sufficient documentary evidence that the property
14 qualifies for the exemption.

15 “(c) The owner or operator of watercraft subject to local assessment shall
16 file the documentary evidence required under paragraph (b) of this sub-
17 section with the county assessor on or before April 1 of the year for which
18 exemption is claimed.

19 “(5) All other watercraft not otherwise specifically exempt from taxation
20 nor licensed in lieu thereof shall be assessed in the county in which they are
21 customarily moored when not in service or if there is no customary place
22 of moorage in the county in which their owner or owners reside or, if neither
23 situs applies, then in the county in which any one of the owners maintains
24 a place of business.

25 “(6) Watercraft described in subsection (5) of this section shall be assessed
26 at assessed value, except as follows:

27 “(a) Ships and vessels whose home ports are in the State of Oregon and
28 that ply the high seas or between the high seas and inland water ports or
29 terminals shall be assessed at four percent of the assessed value thereof.

30 “(b) Vessels that are self-propelled, offshore oil drilling rigs whose home

1 ports are in the State of Oregon shall be assessed at four percent of the as-
2 sessed value thereof.

3 “(c) All other ships and vessels whose home ports are in the State of
4 Oregon shall be assessed at 40 percent of the assessed value thereof.

5 “[*(7) The assessor shall cancel the assessment in whole or proportionate*
6 *part on all parts and materials in the inventory of shipyards and ship repair*
7 *facilities as of January 1 of the assessment year, but only upon receipt prior*
8 *to April 1 of the assessment year of sufficient documentary proof that prior to*
9 *April 1 of the assessment year the parts or materials so assessed were phys-*
10 *ically attached to or incorporated in watercraft undergoing major remodeling,*
11 *renovation, conversion, reconversion or repairs as described in subsection (4)*
12 *of this section, within the boundaries of this state.]*

13 **“SECTION 26. The amendments to ORS 308.256 by section 25 of this**
14 **2017 Act apply to property tax years beginning on or after July 1, 2025.**

15 **“SECTION 27. ORS 308.671 applies to property tax years beginning**
16 **before July 1, 2025.**

17

18 **“ADJUSTMENTS: MULTIPLE YEARS**

19

20 **“SECTION 28.** ORS 307.110 is amended to read:

21 “307.110. (1) Except as provided in ORS 307.120, all real and personal
22 property of this state or any institution or department thereof or of any
23 county or city, town or other municipal corporation or political subdivision
24 of this state, held under a lease or other interest or estate less than a fee
25 simple, by any person whose real property, if any, is taxable, except em-
26 ployees of the state, municipality or political subdivision as an incident to
27 such employment, shall be subject to assessment and taxation for the as-
28 sessed or specially assessed value thereof uniformly with real property of
29 nonexempt ownerships.

30 “(2) Each leased or rented premises not exempt under ORS 307.120 and

1 subject to assessment and taxation under this section which is located on
2 property used as an airport and owned by and serving a municipality or port
3 shall be separately assessed and taxed.

4 “(3) Nothing contained in this section shall be construed as subjecting to
5 assessment and taxation any publicly owned property described in subsection
6 (1) of this section that is:

7 “(a) Leased for student housing by a school or college to students at-
8 tending such a school or college.

9 “(b) Leased to or rented by persons, other than sublessees or subrenters,
10 for agricultural or grazing purposes and for other than a cash rental or a
11 percentage of the crop.

12 “(c) Utilized by persons under a land use permit issued by the Department
13 of Transportation for which the department’s use restrictions are such that
14 only an administrative processing fee is able to be charged.

15 “(d) County fairgrounds and the buildings thereon, in a county holding
16 annual county fairs, managed by the county fair board under ORS 565.230,
17 if utilized, in addition to county fair use, for any of the purposes described
18 in ORS 565.230 (2), or for horse stalls or storage for recreational vehicles or
19 farm machinery or equipment.

20 “(e) The properties and grounds managed and operated by the State Fair
21 Council under ORS chapter 565, if utilized, in addition to the purpose of
22 holding the Oregon State Fair, for horse stalls or for storage for recreational
23 vehicles or farm machinery or equipment.

24 “(f) State property that is used by a public university listed in ORS
25 352.002 or the Oregon Health and Science University to provide parking for
26 employees, students or visitors.

27 “(g) Property of a housing authority created under ORS chapter 456 which
28 is leased or rented to persons of lower income for housing pursuant to the
29 public and governmental purposes of the housing authority. For purposes of
30 this paragraph, ‘persons of lower income’ has the meaning given that term

1 in ORS 456.055.

2 “(h) Property of any county or city, town or other municipal corporation
3 or political subdivision of this state that is used for affordable housing or
4 is leased or rented to persons of lower income for housing pursuant to the
5 public and governmental purposes of the county or city, town or other mu-
6 nicipal corporation or political subdivision of this state. For purposes of this
7 paragraph, ‘affordable housing’ and ‘persons of lower income’ have the
8 meanings given those terms in ORS 456.055. The exemption under this para-
9 graph shall be granted upon compliance with ORS 307.162.

10 “[*(i) Property of a health district if:*]

11 “[*(A) The property is leased or rented for the purpose of providing facilities*
12 *for health care practitioners practicing within the county; and]*

13 “[*(B) The county is a frontier rural practice county under rules adopted by*
14 *the Office of Rural Health.*]

15 “[*(j)*] (i) Property of a port if:

16 “(A) The port:

17 “(i) Is organized under ORS chapter 777; and

18 “(ii) Has a board of commissioners appointed by the Governor; and

19 “(B) The property is:

20 “(i) Located in a county with a population of less than 450,000; and

21 “(ii) Used or held for future use by a person other than the port pursuant
22 to an agreement that obligates the person to provide common carrier rail
23 freight service to shippers.

24 “(4) Property determined to be an eligible project for tax exemption under
25 ORS 285C.600 to 285C.635 and 307.123 that was acquired with revenue bonds
26 issued under ORS 285B.320 to 285B.371 and that is leased by this state, any
27 institution or department thereof or any county, city, town or other munici-
28 pal corporation or political subdivision of this state to an eligible applicant
29 shall be assessed and taxed in accordance with ORS 307.123. The property’s
30 continued eligibility for taxation and assessment under ORS 307.123 is not

1 affected:

2 “(a) If the eligible applicant retires the bonds prior to the original dates
3 of maturity; or

4 “(b) If any applicable lease or financial agreement is terminated prior to
5 the original date of expiration.

6 “(5) The provisions of law for liens and the payment and collection of
7 taxes levied against real property of nonexempt ownerships shall apply to
8 all real property subject to the provisions of this section. Taxes remaining
9 unpaid upon the termination of a lease or other interest or estate less than
10 a fee simple, shall remain a lien against the real or personal property.

11 “(6) If the state enters into a lease of property with, or grants an interest
12 or other estate less than a fee simple in property to, a person whose real
13 property, if any, is taxable, then within 30 days after the date of the lease,
14 or within 30 days after the date the interest or estate less than a fee simple
15 is created, the state shall file a copy of the lease or other instrument creat-
16 ing or evidencing the interest or estate with the county assessor. This sec-
17 tion applies notwithstanding that the property may otherwise be entitled to
18 an exemption under this section, ORS 307.120 or as otherwise provided by
19 law.

20 **“SECTION 29.** ORS 307.110, as amended by section 4, chapter 287, Oregon
21 Laws 2013, is amended to read:

22 “307.110. (1) Except as provided in ORS 307.120, all real and personal
23 property of this state or any institution or department thereof or of any
24 county or city, town or other municipal corporation or political subdivision
25 of this state, held under a lease or other interest or estate less than a fee
26 simple, by any person whose real property, if any, is taxable, except em-
27 ployees of the state, municipality or political subdivision as an incident to
28 such employment, shall be subject to assessment and taxation for the as-
29 sessed or specially assessed value thereof uniformly with real property of
30 nonexempt ownerships.

1 “(2) Each leased or rented premises not exempt under ORS 307.120 and
2 subject to assessment and taxation under this section which is located on
3 property used as an airport and owned by and serving a municipality or port
4 shall be separately assessed and taxed.

5 “(3) Nothing contained in this section shall be construed as subjecting to
6 assessment and taxation any publicly owned property described in subsection
7 (1) of this section that is:

8 “(a) Leased for student housing by a school or college to students at-
9 tending such a school or college.

10 “(b) Leased to or rented by persons, other than sublessees or subrenters,
11 for agricultural or grazing purposes and for other than a cash rental or a
12 percentage of the crop.

13 “(c) Utilized by persons under a land use permit issued by the Department
14 of Transportation for which the department’s use restrictions are such that
15 only an administrative processing fee is able to be charged.

16 “(d) County fairgrounds and the buildings thereon, in a county holding
17 annual county fairs, managed by the county fair board under ORS 565.230,
18 if utilized, in addition to county fair use, for any of the purposes described
19 in ORS 565.230 (2), or for horse stalls or storage for recreational vehicles or
20 farm machinery or equipment.

21 “(e) The properties and grounds managed and operated by the State Fair
22 Council under ORS chapter 565, if utilized, in addition to the purpose of
23 holding the Oregon State Fair, for horse stalls or for storage for recreational
24 vehicles or farm machinery or equipment.

25 “(f) State property that is used by a public university listed in ORS
26 352.002 or the Oregon Health and Science University to provide parking for
27 employees, students or visitors.

28 “(g) Property of a housing authority created under ORS chapter 456 which
29 is leased or rented to persons of lower income for housing pursuant to the
30 public and governmental purposes of the housing authority. For purposes of

1 this paragraph, ‘persons of lower income’ has the meaning given that term
2 in ORS 456.055.

3 “(h) Property of any county or city, town or other municipal corporation
4 or political subdivision of this state that is used for affordable housing or
5 is leased or rented to persons of lower income for housing pursuant to the
6 public and governmental purposes of the county or city, town or other mu-
7 nicipal corporation or political subdivision of this state. For purposes of this
8 paragraph, ‘affordable housing’ and ‘persons of lower income’ have the
9 meanings given those terms in ORS 456.055. The exemption under this para-
10 graph shall be granted upon compliance with ORS 307.162.

11 “[*i*] Property of a health district if:]

12 “[*(A)* The property is leased or rented for the purpose of providing facilities
13 for health care practitioners practicing within the county; and]

14 “[*(B)* The county is a frontier rural practice county under rules adopted by
15 the Office of Rural Health.]

16 “(4) Property determined to be an eligible project for tax exemption under
17 ORS 285C.600 to 285C.635 and 307.123 that was acquired with revenue bonds
18 issued under ORS 285B.320 to 285B.371 and that is leased by this state, any
19 institution or department thereof or any county, city, town or other munici-
20 pal corporation or political subdivision of this state to an eligible applicant
21 shall be assessed and taxed in accordance with ORS 307.123. The property’s
22 continued eligibility for taxation and assessment under ORS 307.123 is not
23 affected:

24 “(a) If the eligible applicant retires the bonds prior to the original dates
25 of maturity; or

26 “(b) If any applicable lease or financial agreement is terminated prior to
27 the original date of expiration.

28 “(5) The provisions of law for liens and the payment and collection of
29 taxes levied against real property of nonexempt ownerships shall apply to
30 all real property subject to the provisions of this section. Taxes remaining

1 unpaid upon the termination of a lease or other interest or estate less than
2 a fee simple, shall remain a lien against the real or personal property.

3 “(6) If the state enters into a lease of property with, or grants an interest
4 or other estate less than a fee simple in property to, a person whose real
5 property, if any, is taxable, then within 30 days after the date of the lease,
6 or within 30 days after the date the interest or estate less than a fee simple
7 is created, the state shall file a copy of the lease or other instrument creat-
8 ing or evidencing the interest or estate with the county assessor. This sec-
9 tion applies notwithstanding that the property may otherwise be entitled to
10 an exemption under this section, ORS 307.120 or as otherwise provided by
11 law.

12 **“SECTION 30. The amendments to ORS 307.110 by sections 28 and**
13 **29 of this 2017 Act apply to property tax years beginning on or after**
14 **July 1, 2022.**

15

16

“UNIT CAPTIONS

17

18 **“SECTION 31. The unit captions used in this 2017 Act are provided**
19 **only for the convenience of the reader and do not become part of the**
20 **statutory law of this state or express any legislative intent in the**
21 **enactment of this 2017 Act.**

22

23

“EFFECTIVE DATE OF ACT

24

25 **“SECTION 32. This 2017 Act takes effect on the 91st day after the**
26 **date on which the 2017 regular session of the Seventy-ninth Legislative**
27 **Assembly adjourns sine die.”.**

28
